

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
November 16, 2006
1:00 p.m.

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, September 28, 2006 in Nashville, Tennessee at 9:30 a.m. Chairman John Jones, Commissioner Cynthia Bond and Commissioner Harlan Mathews were present. Executive Director Danielle Elks, Assistant Director Carolyn Smith, CLEO Mark Hutchens and ASAC Andy Woodall, from the staff, were present.

1. The Minutes for October 26, 2006 Commission Meeting were not approved.

2. RETAIL PACKAGE STORES

**A. GETWELL LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Ruth and Charles Irick
Applicant/Buyer: Getwell Liquors, LLC
Members: Ruth and Charles Irick

Before the Commission is a request for a transfer of ownership from Charles and Ruth Irick to Getwell Liquors, LLC. Mr. and Mrs. Irick would remain as members of the LLC. All documentation has been submitted with the exception of the following:

- a. Original lease to Charles and Ruth Irick.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners stating that the staff has received the original lease to Charles and Ruth Irick, therefore, all documentation has been received and recommended approval. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**B. FOX MEADOWS LIQUOR STORE
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Fox Meadow Liquor Store, LLC
Member: Rosetta Perkins
Applicant/Buyer: Fox Meadows Liquor Store, Inc.
Stockholders: Alexis Joy

Before the Commission is a request for transfer of ownership of the retail store currently located at 3215 S. Mendenhall in Memphis, Tennessee. Ms. Alexis Joy wishes to purchase the store from Ms. Rosetta Perkins for \$187,000. Financing is based upon a promissory note for \$157,000 with the former owner, payable in monthly installments of \$9594.00. The down payment of \$30,000 is based upon gift from Ruth Simmons. The lease has been assigned to the Applicant for a period through May 31, 2008 and has been approved by the landlord; monthly payments will be \$1750.00 per month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the Rules and Regulations;
- c. Bill of Sale and Promissory Note signed by both parties;
- d. Document showing Ruth Simmons, Orson Washington and Tamera Edwards reverting their interest to Alexis Joy.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners stating that originally there were other individuals that were involved in the proposed transfer. Those individuals withdrew from the application and Alexis Joy will be the sole stockholder. Director Elks stated that all requested documentation was received by the staff and recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion, and it passed with 3 ayes.

**C. CNG WINE AND SPIRITS
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Licensee: Karan, Inc.
Member: Gautam Popatbhan Patel
New Member: Prajesh Naranbhai Patel

Before the Commission is a request for a partial transfer of ownership of the retail store located at 2750 South Rutherford Boulevard in Murfreesboro, Tennessee. Mr. Gautam Patel wishes to sell 20% of his stock to Mr. Patel Naranbhai for \$30,500. If approved, Mr. Patel would continue to own 80% of the outstanding stock. All documentation has been submitted.

Discussion/Action Taken:

Prajesh Patel was present at the meeting. Director Elks reviewed the application for the Commissioners stating that all documentation has been received and recommended approval. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**D. SPRING HILL LIQUORS
SPRING HILL, TENNESSEE (MAURY COUNTY)**

Licensee/Seller: Jason Fay Turman
Applicant/Buyer: Spring Hill Liquors, LLC
Members: Herbert Howard

Before the Commission is a request for a transfer of ownership of the retail store located at 5441 Main Street, Suite 7, in Spring Hill, Tennessee. Mr. Fay Turman wishes to sell the business to Mr. Herbert Howard for \$125,000, including inventory. If approved, Mr. Howard would operate the business as an LLC. The lease between Sell Family Partners, LP and Spring Hill Liquors, LLC is for a two year term, with two, three-year options to renew. The monthly rent is \$1800 per month. Financing is based upon a buy-out settlement with General Motors, and a home equity loan. All documentation has been submitted with the exception of the following:

- a. All questions on application and questionnaire completed
- b. Mr. Howard's signature on the lease
- c. TABC Inspection
- d. Acknowledgement of the rules and regulations; and
- e. Credit check from bank; and
- f. Loan documentation and settlement document

Discussion/Action Taken:

Herbert Howard was present at the meeting. Director Elks noted for the Commissioners that this matter had been scheduled for the last Commission meeting with different purchasers. However, that applicant was unable to provide requested documentation and withdrew their application. Mr. Howard is the new applicant for the store. Director Elks stated that all remaining documentation on the agenda has been received by the staff and recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion, and it passed with 3 ayes.

**E. SOUTHGATE LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Gregory Dale Williford
Buyer/Applicant: Robert M. Jones, II

Before the Commission is a request for a transfer of ownership of the retail store located at 1789 S. Third Street in Memphis, Tennessee. Mr. Robert Jones, II wishes to purchase the store from Mr. Gregory Williford for \$236,500—including inventory. Financing is based upon a \$230,000 promissory note with Mr. James

Moore. The lease has been assigned to Mr. Jones, and is for a term through September 30, 2010; monthly rent is \$876.56. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules and regulations;
- c. Lease assignment signed by all three parties;
- d. Sales tax number;
- e. Questionnaire and financial documentation on Mr. James Moore.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks stated that the staff has received the TABC Inspection, the Tennessee Sales Tax Number and the questionnaire from Mr. James Moore. However, the staff has not received the acknowledgment of the rules and regulations, lease assignment signed by all three parties and the financial documentation on Mr. James Moore. Director Elks recommended approval upon submission of the pending documentation. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion, and it passed with 3 ayes.

**F. SKYVIEW LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Roosevelt Hodge
Buyer/Applicant: Elijah Perry, Jr.

Before the Commission is a request for a transfer of ownership of the retail store located at 2600 James Road in Memphis, Tennessee. Mr. Roosevelt Hodge wishes to sell the business to Mr. Elijah Perry for \$225,000--\$70,000 is for inventory. Financing is based upon a promissory note with the seller in the amount of \$125,000 for five years; the remaining financing is based upon funds received as a result of a settlement. River City Company, Inc. has agreed to assign the lease to Mr. Perry: terms of the lease are for one year at \$1600/month. All documentation has been received with the exception of the following:

- a. Mr. Perry's signature on the promissory note;
- b. Lease to Mr. Perry when obtained; and
- c. Acknowledgement of the rules and regulations.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks stated that the staff has received Mr. Perry's signature on the promissory note and the acknowledgment of the rules and regulations. However, the staff has not received the lease to Mr. Perry. Director Elks recommended approval upon the submission of the lease to Mr. Perry. Commissioner Mathews made a motion to approve upon submission of the pending lease. Commissioner Bond seconded the motion, and it passed with 3 ayes.

**G. LINDSEY'S LIQUORS
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Licensee: Lindsey's Liquors, LLC
Member: Sandra Walker

Before the Commission is a request to transfer location of the retail business currently located at 3201 Wilcox Boulevard, Suite 103 in Chattanooga, Tennessee. Ms. Walker desires to re-locate the business to 3469 Brainerd Road, Suite B, in Chattanooga. The original request was based the lack of business at the current location; however, after the submission of the original request, the business was robbed twice. Ms. Walker requests that the unsafe area of the current location also be a consideration for the move. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners and recommended approval. Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion, and it passed with 3 ayes.

3. WINERY

**LAUDERDALE CELLARS
RIPLEY, TENNESSEE (LAUDERDALE COUNTY)**

Licensee: Lauderdale Cellars, LLC
Member: Roy Crowder

Before the Commission is a request for a transfer of location from 1900 Highway 51 South in Ripley, Tennessee to 2834 Old Medina Road in Jackson, Tennessee. In February, 2006, Mr. Crowder submitted a request for the transfer of location, and began construction; however, supporting documentation was not

submitted. Mr. Crowder now wishes to move forward on his request. If approved, Mr. Crowder would also like to change the name of the winery to Old Medina Winery. All documentation has been submitted with the exception of the following:

- a. Department of Agriculture's approval;
- b. Permanent use and occupancy when approved; and
- c. Acknowledgement of the rules and regulations.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners and stated that this matter was continued from the October meeting. Director Elks stated that at the October meeting, Mr. Crowder had requested that his addendum be heard by the Commission. However, he had not submitted his supporting documentation to the staff in a timely fashion even though the application had been submitted for several months. Therefore, the Commission decided not to hear the addendum at the last meeting and the matter was placed on the November agenda. Director Elks stated that all documentation has been received by the staff and if the matter is approved, Mr. Crowder wishes to change the name of the winery to Old Medina Winery. Commissioner Bond made a motion to approve the transfer of location. Commissioner Mathews seconded the motion, and it passed with 3 ayes.

Commissioner Mathews made a motion to change the name of the winery to Old Medina Winery. Commissioner Bond seconded the motion, and it passed with 3 ayes.

- 4. SPECIAL OCCASION LICENSES**
- 5. CONSUMER EDUCATION SEMINAR LICENSES**
- 6. PERSONNEL**
- 7. BUDGET -**
- 8. CONSENT ORDERS**
- 9. PENDING MATTERS LIST**
- 10. MISCELLANEOUS—AUDIT REVIEW**

Chairman Jones requested that a meeting be scheduled with Finance and Administration Commissioner David Goetz, Comptroller John Morgan and the Commission to review audit findings.

Director Elks stated that with the last election, three cities had passed the liquor-by-the-drink referendum: Soddy Daisy, Ripley and Brownsville. She further stated that four cities have passed the referendum for retail package stores: Ripley, Halls,

Henning and Gordonsville. Director Elks reviewed for the Commission that in 1995, 27 cities had passed liquor-by-the-drink, and 33 cities had passed retail package stores. Further in 1995, there were approximately 1575 liquor-by-the-drink licenses and 458 retail package stores.

Director Elks stated that these numbers have drastically increased: in 2006, Director Elks stated that 76 cities have passed liquor-by-the-drink, and 78 cities have passed retail package stores. Currently, approximately 2200 liquor by the drink establishments and 520 retail package stores exist.

In 2000, the TABC had approximately 1300 regulatory cases. In 2005, the TABC had approximately 1800 regulatory cases.

11. DATE OF NEXT MEETING – January 18, 2006 at 1:00 p.m.

There being no further business the meeting was adjourned.

Shari Danielle Elks
Executive Director

John A. Jones
Chairman